

How to Apply For Federal Aviation Administration (FAA) Non-Premium War Risk Hull and Liability Insurance

Information for the Insurance Applicant

The FAA, under Section 44305 to Chapter 443 of Title 49 of the United States Code, is authorized to issue insurance, without premium, to air carriers engaged in operations that the President decides are necessary in the interest of air commerce, or national security, or to carry out the foreign policy of the United States.

In order to provide insurance, the FAA has developed "stand-by" policies for both hull and liability insurance. "Stand-by" means that the policies are issued without a commencement or expiration date. Once the policy has been issued to the air carrier, the FAA will activate coverage by providing the air carrier with a notice or letter that designates an exact time frame the policy will be in effect or in some cases specify coverage for a particular mission and conditions.

All FAA insurance business is conducted electronically through our on-line insurance data management system. Once an air carrier submits an application for insurance and signs a Memorandum of Agreement (MOA), they may be given access to the system. The system allows the FAA to manage the insurance program and provides each air carrier access to their own company's relevant documentation.

An air carrier must perform six (6) steps to obtain FAA non-premium war risk insurance:

1. Initial Application:
 - a. Fill out the insurance application and submit to FAA with a copy of your fleet schedule
 - b. Provide the FAA with a copy of your current all risk aviation insurance policy.
 - c. Sign and return **two (2) original MOA's** to agree to do business electronically.
2. FAA reviews the submission and if appropriate may continue application procedure.
3. The air carrier receives notification that it has access to the on-line system. The air carrier will then upload its fleet information which is the "Schedule of Aircraft" that are to be insured.
4. The air carrier submits a one-time registration fee of \$575 per aircraft. This can be done through electronic funds transfer or by check. Once the air carrier has entered its aircraft into the data system, an invoice will be generated with payment information.
5. The FAA issues stand-by policy electronically, and activates coverage if appropriate.
6. The air carrier receives notification of FAA's acceptance of its application for insurance.

Return materials by courier only. Do not send by U.S. mail. Send to:

Helen Kish
Federal Aviation Administration
Aviation Insurance Program Office, AEP-20
800 Independence Ave. SW, Room 935
Washington, DC 20591
Phone: 202-267-9943 helen.kish@faa.gov

Application for FAA Non-Premium War Risk Hull and Liability Insurance

Application is made for War Risk Hull and Liability Insurance, without premium, pursuant to Section 44305 of Chapter 443 to Title 49 of the United States Code, as amended (49 U.S.C. § 44305), and in accordance with all provisions of law and subject to all limitations thereof, on the aircraft to be entered into the Aviation Insurance Data System by the air carrier, and called the "Schedule of Aircraft" with the understanding that this application does not commit the Government of the United States to any liability whatsoever unless the insurance described herein is effected by the Administrator of the Federal Aviation Administration (FAA).

Name of Applicant (Air Carrier)

Address

Number and Date of Applicant's Department of Defense contract (if known)

Applicant's interest in aircraft is that of an (check applicable)

☐ Owner

☐ Lessor

☐ Other

I. Types and Amount of Coverage Requested

Hull Insurance

The amounts set forth in the "Schedule of Aircraft" represent the amount of war risk hull insurance desired for each such aircraft and shall not exceed the amount in effect on the date of this application, to which the applicant has insured or self-insured itself against risks other than war risks.

Liability Insurance

The amount of coverage requested shall not exceed the corresponding amounts in effect on the date of this application by which the applicant has insured or self-insured itself against liability arising from risks other than war risks.

Amount of Liability Requested. Combined Single Limit (each occurrence)

\$ _____
(Fill in Amount)

II. Terms and Availability of Commercial Insurance

This is to certify that _____
(Name of Carrier)

(a) Controls and operates the aircraft listed in the Schedule of Aircraft and that these aircraft are committed under contract to the Department of Defense (DOD) as part of the Civil Aviation Reserve Fleet (CRAF) for use during an air transportation emergency;

(b) Are maintaining and have maintained during the six month period preceding this application (or since the aircraft was acquired if acquired during the six month period) commercial insurance, including demonstrable self-insurance, covering possible injury, loss or damage from risks other than war risks in amounts which equal or exceed the war risk insurance coverage requested in the application; and

(c) Are unable to obtain coverage for its aircraft used in CRAF activities for losses due to war, or act of war, nuclear, terrorism or confiscation because such coverage is neither available in the commercial insurance market, nor covered by FAA-supplied premium war risk insurance;

III. Certification

1. The Applicant warrants that the information set forth in this Application, Schedule of Aircraft and in any Attachment thereto is true and complete to the best of his/her knowledge and that no information has been withheld or suppressed.
2. The Applicant agrees that this Application and the terms and conditions of the Non-Premium Policy of Insurance issued by the Administrator of the Federal Aviation Administration on behalf of the Secretary of Transportation, for war risk hull and liability insurance provided under 49 U.S.C. §44305 to U.S. air carriers having agreements with the Department of Defense will constitute the sole basis of any contract of insurance between the Applicant and the United States of America while the aircraft listed and described in the Schedule of Aircraft are under contract to the Department of Defense.
3. The Applicant warrants that the person signing this Application is an Officer or other employee of the Applicant, who, at the time of signing this Application, is fully authorized to bind by the Applicant by his/her signature.

Applicant Name (Air Carrier)

Person authorized to bind the Applicant

Print Name _____

Print Title _____

Signature _____

Date _____

(EXAMPLE)

SCHEDULE OF AIRCRAFT
CHAPTER 443 HULL/LIABILITY INSURANCE COVERAGE
(Name of Airline)

Aircraft Make & Model	Serial Number	FAA ID Number	Commercial Hull Insurance in Force
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____
_____	_____	_____	\$ _____

Comprehensive Liability Insurance - Combined Single Limit - Each Occurrence: _____

MEMORANDUM OF AGREEMENT
FOR ELECTRONIC BUSINESS FOR AVIATION INSURANCE
BETWEEN
FEDERAL AVIATION ADMINISTRATION
AND

(air carrier name)

WHEREAS under Presidential Determination No. 01-29 of September 23, 2001, as extended, the United States recognizes the importance of air commerce to the economy, national defense, and the conduct of foreign policy; and

WHEREAS the commercial air carrier industry is required to maintain certain minimum insurance standards by the aviation financial, leasing, and corporate equity interests; and

WHEREAS the Secretary of Transportation, after delegation to the Federal Aviation Administration (“FAA”) is responsible for providing war risk insurance to ensure the operation of civil air transportation to meet the needs of the economy, national defense, and foreign policy as mandated by Congress in chapter 443 of Title 49 of the United States Code; and

WHEREAS

(air carrier name) (the Air Carrier) is a DOT/FAA

certificated United States air carrier who is qualified as a recipient of FAA Aviation Insurance at the discretion of the Secretary of Transportation; and

WHEREAS both the commercial air carrier industry and the FAA require close coordination in insurance contracting procedures to ensure on-going insurance coverage during operations;

NOW, THEREFORE, it is agreed between the FAA and the Air Carrier, that they shall employ electronic means of communication to initiate and maintain information and to execute contracts of insurance between the Parties under this Memorandum of Agreement (“Agreement”) as follows:

1. Upon the decision by the Secretary of Transportation to execute Chapter 443 insurance the FAA shall provide an individualized insurance document(s) for the Air Carrier. Pursuant to Section 44302(a) of Chapter 443 of Title 49 of the U.S. Code, the FAA may provide a Policy of Insurance to the Air Carrier, detailing the specific insurance coverage to be provided to the Air Carrier for an agreed premium. Under Section 44305 of Chapter 443 of Title 49 of the U.S. Code, the FAA may also provide a non-premium Policy of Insurance to the Air Carrier for flights operated under contract to an agency of the United States government which has concluded an indemnification agreement with the FAA. Non-premium Policies of Insurance are generally issued as stand-by policies listing specific aircraft on a register and will require subsequent endorsement by the FAA to activate that non-premium Policy of Insurance to provide insurance coverage for specific flight operations by the registered aircraft.
2. The FAA shall provide the Air Carrier access to an exclusive encrypted on-line FAA insurance data system so that the Air Carrier may register the aircraft to be insured, offer insured values for each aircraft, and provide other information as specified in its current individual premium and non-premium policies of insurance. Payment of appropriate premiums or aircraft registration fees is a necessary condition for insurance coverage.
3. Entry by the Air Carrier into the on-line FAA insurance data system of all information required by FAA necessary to execute documents supplied under item 1 above in such format as directed by the FAA constitutes an offer presented to the FAA. Acknowledgement of receipt by the on-line FAA insurance data system constitutes a conditional acceptance by the FAA, pending verification of information provided by the Air Carrier, as to the value and terms of the insurance policy.
4. The FAA shall treat the information supplied by the Air Carrier under this Agreement as confidential business or financial information and will not disclose such to any third party except that any agency of the United States Government that sponsors use of FAA 443 non-premium insurance under Section 44305 of Chapter 443 of Title 49 of the U.S. Code will be granted "monitoring rights only" access to information on insurance it sponsors. If FAA is subject to a Freedom of Information Act (FOIA) request for this information, the Air Carrier agrees to supply information concerning its claim of confidentiality to support an exemption from disclosure by FAA in response to the FOIA request.
5. The Air Carrier shall be responsible for the accuracy and correctness of all information submitted by it into the on-line FAA insurance data system.
6. The Air Carrier shall identify persons authorized to bind the Air Carrier by their signatures and provide original specimen signatures to the FAA, and also identify other company representatives who are authorized by the Air Carrier to access the on-line FAA insurance data system. The Air Carrier shall indicate whether the authority of any individual it identifies is for premium insurance, non-premium insurance, or both. Further, the air carrier shall notify the FAA if it wishes to cancel the authority of individuals it has previously identified to access the on-line FAA insurance data system.

7. This Agreement may be amended at any time by mutual written consent of the Parties.
8. This Agreement may be cancelled at any time by the FAA or the Air Carrier.
9. Except as specified below, the effective time and date of this Agreement shall precede the issuance of any FAA insurance policy to the Air Carrier and the Agreement shall endure until after the expiration or cancellation of the FAA aviation insurance policy(s) issued to the Air Carrier, until such time that either party terminates the Agreement. This precedence requirement is not binding with respect to non-premium policies of insurance issued to the Air Carrier by the FAA prior to execution of this agreement.

For the UNITED STATES OF AMERICA

Signature _____ Date _____
John Rodgers, Director, Aviation Insurance Program Office
Federal Aviation Administration

For the INSURED

(air carrier name)

By an Officer of the Insured Empowered to Bind the Insured for

_____ PREMIUM INSURANCE _____ NON-PREMIUM INSURANCE
(Check one or both)

Signature _____ Date _____

Print Name _____

Print Title _____

Address _____

_____(City)_____(State)_____(Zip)

Phone Number _____

E-mail _____